DOCUMENT RESUME

ED 212 023 CS 503 744

AUTHOR Goodman, Gary S.; Honeyman-Goodman, Deanne
TITLE Reach Out and "Sell" Someone: The View of Sales Managers Toward Tele-Marketing.
PUB DATE Nov 81
NOTE 18p.; Paper presented at the Annual Meeting of the Speech Communication Association (67th, Anaheim, CA, November 12-15, 1981).

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Administrators; Advertising; *Communication Research; Marketing; *Merchandising; Organizational Communication; *Telephone Communications Systems

ABSTRACT

A survey was conducted of 51 company sales managers in the Los Angeles, California, area to determine their opinion of the importance of the telephone as a sales instrument. The managers were asked a series of questions concerning their responsibilities and their attitudes toward selling by telephone. Results revealed that the managers (1) supervised approximately 17 salespersons, who spent an average of 16% of their time writing letters, 47% making personal presentations, and 34% making telephone contacts; (2) thought that of these three sales approaches, personal contact was the most effective, followed by telephone use; (3) thought that the telephone sales approach was the most cost effective of the three; (4) had a positive attitude toward selling by telephone; and (5) believed that their salespersons also had positive attitudes toward telephone use. (FL)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED212023

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

REACH OUT AND SELL SOMEONE:™ THE VIEW OF SALES MANAGERS TOWARD TELE-MARKETING

by

Gary S. Goodman, Ph.D

Deanne Honeyman-Goodman, Ph.D. Candidate

Copyright 1981
Gary S. Goodman, Ph.D
Communication Consultant
P.O. Box 9733
Glendale, California 91206

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Gary S. Goodman
Deanne Honeyman-Goodman

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Speech Communication Association

November 12-15, 1981

Anaheim, California

CS505744

According to Bell Telephone statisticians, the contemporary American will spend "8,760 hours on the phone in an average life span of 70 years." This amounts to an entire year of a person's life.[1]

If futurist Alvin Toffler is correct, many more of us will be relying on this means of communication for our livelihoods. Toffler envisions a future in which Americans will be communicating to their jobs via telephone and computer rather than consuming many hours and precious energy resources in traditional commuting. Some Americans are doing so with positive results. Stockbrokers and computer programmers, among other information workers, are joining the growing number of workers who elect to "telecommute," as Toffler puts it.[2] In Gary S. Goodman's book, WINNING BY TELEPHONE: TELEPHONE EFFECTIVENESS FOR THE BUSINESS PROFESSIONAL AND CONSUMER, he holds that the telephone is an ideal time-management medium.[3] With the continuing prospect of expensive gasoline and more costly vehicles, it is evident that reliance upon alternative means of transporting our business skills and influence will be sought. Toffler, for one, sees a future in which cottage industries will once more spring up in people's homes because of the opportunities and savings presented by telecommunications technologies.[4] Numbers of people may elect to remain at home in preference to going "away to work" among strangers.

The energy crunch and telecommunications innovations are combining to have a profound influence upon the way America does business. In 1965, the average cost of making a personal, face to face sales presentation before an industrial purchaser was reported at $35.55. Ten years later, in 1975, after our first round of

fuel crunches, the cost jumped over one hundred percent to $71.27.[5] Six years later in May, 1981, the cost escalated to a reported $137.02.[6] With inflation, the cost of making a personal sales call could easily exceed $160.00 by the end of 1981. This represents a four-hundred fifty percent (450%) increase since 1965. Companies that once found it cost-effective to place salespeople on the road for the purpose of selling prospects, are being forced to reconsider their strategy, while seeking alternatives. Some are finding the telephone to be the only cost-effective substitute within reach.

Telephone marketing is not new, however. In fact, if one defines a sale as "any commercial persuasive effort," then telephone selling has been around as long as the instrument itself. Business has always relied on the phone to answer inquiries, schedule deliveries, collect delinquent bills, and announce special sales to old friends and customers. Only a few businesses, relatively speaking, seemed at any time to exploit the potential of the phone as a primary marketing medium in the first seven decades of this century. Newspapers, insurance agents, stockbrokers, and employment agencies are notable exceptions. Traditionally, these occupations and firms relied rather heavily on the telephone for generating business.

Some businesses, at the same time, have been reluctant to get into selling by telephone, until recently. There may be a number of explanations available to explain their hesitation in this regard. A tradition has developed in many industries that equates "giving good service to clients" with the number of face to face appearances a "roadie" or travelling salesman makes to an establishment, no matter how remote it may be from his headquarters.

There may be a certain belief that the salesperson who visits more has actually "earned the order" by virtue of endurance or tenacity. Many salespeople who attend seminars contend that "you can't really sell anybody anything without standing in front of them." One very tall, six-foot, seven-inch salesman believed that the intimidation value of peering down at prospects contributed mightily to his number of signed contracts and dollars in the bank.

Telephone selling has also had a mixed reputation. While it is generally acknowledged that many firms in different fields have done well by using the phone, there are also suspicions harbored by others about the appropriateness of using a tool that has perpetrated so many shady deals and out-and-out rip-offs. One author chronicles some of the abuses of the telephone in selling advertising in his book, THE GREAT AMERICAN CON MACHINE.[7] When some executives think of telephone selling, images of smoky boiler rooms come to mind, where rows of seedy high-pressure experts sucker innocents into absurd purchases of non-existent, shoddy, or overpriced goods. This image obviously departs from the industrial equivalent of the Jordache or IBM look that is acceptable in executive parlors.

Another reason firms have avoided selling by telephone is because they are literally ignorant about the mechanics involved in creating interest in their products and services through this means. Until recently, there have been few providers of generic telephone sales training available on a commercial basis. If a salesperson wanted to learn how to use this tool he had to resort to tips offered by his boss, or he was left to his own raw experience to derive insights and techniques. Often, in relying upon his wits, he encountered ego-crushing rejection, and vowed to avoid the medium for selling.

Having been assured over many years by telephone company advertisements that telephone communication is non-complex and easy, salespeople have assumed, in some cases, that they already knew all that was to be known about this medium. Moreover, their firms have been reluctant to abandon face to face selling when their competitors will be still knocking on the prospect's door.

Salespeople also seem to derive secondary satisfactions from being on the road or in the field. They often indicate they like the feeling that they are "in business for themselves," without having to contend with the entrepreneurial stresses of financial risks and reversals. Further, the boss is not "breathing down their necks" so the salespeople can luxuriate in the relative freedom and independence allowed by their vocation. The telephone might appear to such persons as an electronic jailer that would cast them into confinement.

Having conducted and developed seminars in telephone selling, we have interacted with and instructed thousands of salespeople and sales managers across the United States. In doing so, we have noted a number of general trends which indicated that telephone communication generally, and selling by telephone specifically, were becoming more acceptable. We sought to identify these trends and validate them through the development and implementation of a telephone survey to sales managers in Los Angeles, California.

We have observed: (1) *There is growing acceptance of telephone marketing in the business community.* When we designed our first telephone seminar in 1978, we were aware of very few firms which offered telephone sales training to a general audience. Our early programs were also attended by representatives from smaller, less "distinguished" firms. Within the last year, the proportion of attendees from "Fortune 500"

companies has increased dramatically, and more attendees report their occupational titles as "tele-marketing manager" and "telephone sales supervisor," while reporting that their positions have been very recently created. Numbers of telephone marketing consultants have appeared on the scene recently to service this newly created managerial sector.

(2) *The Bell System has been using saturation advertising in print and electronic media touting the benefits of tele-marketing.* Many of the ads are visually appealing, while stressing the benefits to be derived from accessing the "system," and positioning the sponsor as being in the "knowledge business." The futuristic dazzle of the commercials is suggestive of the idea that the telephone is a "new" medium and that tele-marketing is a "thing of the future."

(3) *There is a revolution in telecommunications technologies that links more companies with advanced information transmission systems, including state-of-the-art telephone switching equipment.* According to Harry Newton, head of the Telecom Library, the hottest growth companies of the 1980's are those involved with different aspects of telecommunications.[8] Long-distance telephone service providers such as MCI, Sprint, ITT City-Call, and others are gaining market shares in the lucrative communications field, with the deregulation of AT&T promising more robust competition and service options for businessperson and consumer. We are witnessing a literal explosion in the number of gizmos and electronic devices which are offered to make telephone communications more efficient and enjoyable, and which have the net effect of encouraging telephone traffic. Companies are investing millions of dollars to upgrade their in-house telephone

systems.

(4) *There is a trend in visual advertisements toward highlighting the telephone as the best means to access numbers of services in the economy.* One such new service, banking by telephone, is becoming widely accepted in part because of advertising campaigns that have educated the public about the ease of this medium and its time and fuel saving advantages. In one ad which appears on television for FIRST INTERSTATE BANK, a telephone touch-tone dial is seen travelling across great distances to dramatize the power of the phone to connect banking services in several states. Many newspaper advertisers display, as a matter of course, a large telephone at the top or bottom of their ads. In some cases, the photos of phones are larger in size than the pictures of products actually being offered for sale. Toll-free "800 numbers" have become so commonplace that consumers become irate with businesses that do not make them available.

Given these trends, as well as the reactions of seminar participants across the country, we developed a survey to validate our perceptions of the increasing importance of the telephone in business. As sales departments are some of the most obvious profit centers in business, and performance is measured perhaps more judiciously in sales departments than in other parts of the firm, we believed sales managers would have rather accurate perceptions about the use of the phone among their subordinates.

We also predicted that sales managers would consider the telephone as:

(1) A significant selling medium that required an average of (35%) of the time of salespeople.

(2) The second most effective sales medium, trailing face to face presentations, but ahead of written presentations.

(3) The most cost-effective sales medium.

(4) A medium that had not been the subject of formal instruction given to the majority of salespeople.

(5) The number one area of training they would provide to salespeople, ahead of written presentations and face to face selling.

Method

Telephone calls were made to companies in eight industries in Los Angeles. Phone numbers and categories were selected from the Pacific Telephone Yellow Pages. Companies judged by the researchers to be in "growth industries" were selected for their potential value as consulting prospects. Industries included in the survey were: computers, insulation, security, electronics, fasteners, containers, plastics, and telecommunications. Fifty-one interviews were obtained from sales managers, general managers, presidents, owners, regional managers, and others. All respondants claimed responsibility for supervising salespeople. Each telephone interview took approximately four minutes to conduct.

The contents of the survey, findings, conclusions and suggestions are offered below.

Survey

Interviewees were asked to respond to a total of thirteen questions, eleven of which are reported in this paper, and two which are not, for proprietary reasons. The first two questions sought background information from the interviewee and were called questions "A" and "B." The remaining questions attempted to tap directly into attitudes about selling by telephone. The questions are as follows:

"A": What is your title?

"B": How many salespeople do you supervise?

"1": What percentage of your salesmen's time is spent with the following communication activities:

(a) Writing letters and presentations

(b) Making personal (face to face) presentations

(c) Making telephone contacts and presentations.

"2": Of these three communication approaches, which one do you believe is most effective in generating sales?

(a) Letters/written presentations

(b) Face to face presentations

(c) Telephone contacts & presentations

"3" If you were to provide selling-skills training to your salesmen, in which of the three areas would you concentrate the training.

(a) Letters/written presentations

(b) Personal (face to face) presentations

(c) Telephone contacts and presentations

"4": Which of the three sales approaches do you believe

"4": (continues) ... is most cost effective? (e.g. it produces the greatest volume of business at the lowest cost?)

(a) Letters/written presentations

(b) Personal (face to face) presentations

(c) Telephone contacts and presentations

"5": To your knowledge, which of the three sales methods have been formally taught to your salesmen?

(a) Letters/written presentations

(b) Personal (face to face) presentations

(c) Telephone contacts and presentations

"6": (Deleted from report)

"7": (Deleted from report)

"8": How would you describe your attitude toward selling by telephone?

(a) Positive

(b) Negative

(c) Neutral

"9": How would you describe your salesmen's attitudes toward selling by telephone?

(a) Positive

(b) Negative

(c) Neutral

Results

Question "A": What is your title?

Interviewees, without exception, were in management, judging from their occupational titles. All reported titles, including president, owner, general manager, sales manager, office manager, and branch manager suggested interviewees indeed had the responsibility for overseeing selling functions within the organization.

Question "B": How many salespeople do you supervise?

The average number of salespeople supervised was (17.12) per interviewee.

Question "1": What percentage of your salesmen's time is spent

(a) Writing letters and presentations. (16%)

(b) Making personal (face to face) presentations. (46.51%)

(c) Making telephone contacts and presentations. (33.90%)

Question "2": Of these three communication approaches, which one do you believe is most effective in generating sales?

(a) Letters/written presentations. (5.5%)

(b) Personal (face to face) presentations. (74.07%)

(c) Telephone contacts and presentations. (22.22%)

Question "3": If you were to provide selling-skills training to your salesmen, in which of these three areas would you concentrate the training?

(a) Letters/written presentations. (1.66%)

(b) Personal (face to face) presentations. (68.33%)

(c) Telephone contacts and presentations. (28.33%)

Question "4": Which of the three sales approaches do you believe is the most cost-effective? (e.g. It produces the greatest volume of business at the lowest cost?)

(a) Letters/written presentations. (1.9%)

(b) Personal (face to face) presentations. (48.08%)

(c) Telephone contacts and presentations. (50%)

Question "5": To your knowledge, which of the three sales methods have been formally taught to your salesmen?

(a) Letters/written presentations. (-0-%)

(b) Personal (face to face) presentations. (19.61%)

(c) Telephone contacts and presentations. (7.8%)

(d) None of the above. (23.53%)

(e) All of the above. (21.57%)

(f) A & B. (1.96%)

(g) B & C. (15.69%)

(h) A & C. (1.96%)

(i) A,B, & C. (1.96%)

(j) Don't know. (1.96%)

Questions "6" and "7" are deleted.

Question "8": How would you describe your attitude toward selling by telephone?

(a) Positive (59.62%)

(b) Negative (19.23%)

(c) Neutral (21.15%)

Question "9": How would you describe your salesmen's attitudes toward selling by telephone?

(a) Positive (53.85%)

(b) Negative (17.31%)

(c) Neutral (28.85%)

Discussion

A number of our five predictions were supported through the survey. (1) We believed thirty-five percent of salesmen's time is spent on the telephone, and the average response of (33.90%) nearly confirmed this estimate. The phone, as we indicated in our prediction number two (2), is the second most favored medium after face to face encounters, while also being favored over the medium of written presentations. (3) A near majority (50%) find the telephone the most cost effective medium, while (74.04%) maintain that face to face presentations are most effective in generating sales. (4) Our fourth prediction was disconfirmed, as less than a majority of interviewees had received formal telephone sales training, although at (48.98%), a significant number had at least some training with this tool. We were surprised to find that only (28.33%) of interviewees would provide telephone selling training to salespeople, while over two-thirds of respondants would extend face to face sales training to their staff. Thus, our fifth prediction was rather clearly disconfirmed.

Perhaps the most compelling observation we make of the data is that there is some ambivalence toward using the telephone as a sales medium, which has been anecdotally supported through our past experience with literally thousands of salespeople across the country. While (50%) believe the telephone is the most cost-effective sales medium, (74.04%) insist that it is really not the most effective selling agency. What might this set of responses mean?

It would seem that the old saw one hears in sales meetings

and seminars that "you can't <u>really</u> sell somebody unless you see the person," is a thought still entertained by sales managers as well as salespeople. At the same time, sales managers communicated with through this study reported positive attitudes toward selling by telephone (59.62%), and attributed positive attitudes about this device to their salesmen in (53.85%) of the responses. An alternative reading of these figures indicates that (40.38%) of sales managers are negatively or neutrally predisposed toward the use of the phone, and report their belief that their salespeople are even less likely to embrace the use of the medium at a reported (46.16%) negative or neutral rating.

These data suggest that a belief is fostered by sales managers that the telephone is "okay if it really works," but they need to be convinced of its specific application to their industry, company, and product. The jury may "still be out" in terms of absolute acceptance of the medium for selling, but there were fewer reports than expected of clear negativity expressed toward the telephone, with sales managers giving the instrument a (19.23%) negative score, while indicating in (17.31%) of cases that their salespeople thought accordingly. We suspected there would be greater polarization or "love-hate" expressed and less neutrality.

We were surprised to find that (23.53%) of sales managers believed their staff had received no formal training in selling through written, face to face, and telephonic media. This suggests that a number of salespeople are self-taught in their use of these methods, and constitute a potentially large market for different kinds of sales training.

Of the (48.98%) of salespeople believed to have had formal training in the use of the phone for selling, it would be helpful to learn what the sources of training were, and the degree of satisfaction obtained from them.

Written presentations were clearly not favored as sales media by interviewees. While (16%) of the time of salespeople was believed to be spent writing, only (1.66%) of sales managers would provide formal training to the staff in this area. Only (5.5%) of respondants believed that written presentations are the most effective devices in generating sales, while (1.9%) said they were the most cost effective sales avenues.

Conclusions & Suggestions

This research tends to confirm the belief that the telephone is an important selling medium to a number of organizations in various industries. It also suggests that more research into the functions served for corporations and other agencies through telephone communication should be undertaken.

Contemporary evidence in the business community and popular culture indicates that telephone communication will come to be regarded as an increasingly significant commercial means of expression and will require adjustments in attitudes toward what can and should be accomplished through this medium.

Because of general inflation, skyrocketing fuel prices, and heightened time management consciousness, more Americans will look to the telephone as a medium of "choice" rather than necessity in facilitating their personal and professional communications.

If, as some technologists contend, we will have personal telephone numbers that can "follow us around" from city to city without changing, we will be able to carry our phones with us nearly everywhere. There will be another magical medium we will not have to "leave home without."

Further research should be undertaken to determine over the long term how attitudes are being shaped and changed toward telephone communication. We will be interested in replicating the survey reported in this paper to confirm or disconfirm the trends we have set forth.

Notes

[1]"Editor," Pacific Telephone Openline, 1981.

[2]Alvin Toffler, The Third Wave,(New York: Bantam Books, 1980) pp. 194-207.

[3]Dr. Gary S. Goodman, Winning By Telephone: Telephone Effectiveness For The Business Professional And Consumer, (Englewood Cliffs: Prentice-Hall, 1982.

[4]Alvin Toffler, The Third Wave, pp. 194-207.

[5]"Telephone Marketing: Good For Sales, Good For Receivables," Dun & Bradstreet Reports, May-June, 1977, p.20.

[6]"Telephone Prospecting," Los Angeles Times, May 18, 1981, Part III.

[7]Barry M. Riemer, The Great American Con Machine, (Port Washington: Ashley Books, 1975).

[8]Harry Newton, Marketing Seminar: Telocator Network Of America, (Washington: Telocator Network Of America, 1981), p.24.